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C O N F I D E N T I A L SECTION 01 OF 02 BAGHDAD 003007

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TAGS: [ECON](#) [ECPS](#) [EINT](#) [EINV](#) [IZ](#) [PGOV](#)  
SUBJECT: IRAQ'S TELECOM REGULATOR: PUSHING FOR INDEPENDENCE  
AND CONCERNED ABOUT FOREIGN MEDIA INFLUENCES ON ELECTION

REF: 09 BAGHDAD 2677

Classified By: Econ Counselor John Carwile, reason 1.4 (b and d)

11. (C) SUMMARY: Iraq's recently reconstituted Communications and Media Commission (CMC) has been asserting its role as an independent regulator with increasing effectiveness. Noting he was working closely with Iraq's Independent High Electoral Commission (IHEC) to ensure "appropriate" media conduct and cooperation from broadcasters, CMC Chair Dr. Burhan Shawi told Econoff the Commission has a critical role in ensuring "objective" media coverage during the planned January 2010 national elections. Shawi expressed pointed concern for foreign-based media that broadcast "subversive and dangerous" messages from outside Iraq; he expected the number of such alleged broadcasts to increase as the election draws near. On telecommunications regulation, the CMC revealed its evolving activist role at the Council of Representatives (COR), which recently helped derail legislation detrimental to the CMC and the telecoms sector as a whole. Additionally, the CMC has been developing internal policy and technical expertise and is conducting public outreach to other GOI elements and the media sector in order to explain its role and enforce its broadcast license authority. Despite continued operation under an unclear legal mandate stemming from CPA order #65, the CMC has stood up to internal GOI resistance regarding its role as an independent regulator and has empowered its membership to execute their respective roles. END SUMMARY.

CMC role with IHEC: Election Concerns About Foreign Media Influences  
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12. (C) Under Shawi's leadership, the CMC has focused on its media regulation responsibility, particularly in the run-up to the planned January 2010 elections. In cooperation with UNDP and IHEC, the Commission has recently published a "Code of Practice" and a specific "Code for Media Coverage during the Elections" to serve as a guideline for Iraqi broadcasters during the upcoming campaign season. Additionally, the CMC has formed a media monitoring center that will continuously track "everything that is said on every channel" during the formal election cycle. (Comment: Several Iraqi journalists have expressed concern to Poloffs that the CMC is a tool of PM Maliki and his allies -- and too partisan to effectively mediate press reporting; several have expressed concern that the CMC is monitoring media reporting at all. End Comment.)

13. (C) For their part, Shawi and his staff expressed special concern for the role that foreign-based broadcasters play in Iraq's media market. Clearly frustrated by their lack of control over outside influences, the CMC sees elements of the more extreme broadcasters as a potentially destabilizing force in the coming months. Shawi pledged to provide a list and location of the broadcasters with whom he is most concerned to Econoff in the coming weeks. When pressed, Shawi admitted that the majority of Iraqis would not be swayed by these media messages, but noted that "the trouble

we have is not caused by the majority."

An Activist Role at the COR, \$3 Billion Foreign Direct Investment?

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¶4. (C) The CMC has increased its presence and activism at the COR in recent months, working directly with individual members, coalitions and committees to more fully explain its role as an independent regulator and advocate for media rights as well as telecommunications regulations in line with Orights as well as telecommunications regulations in line with a private-sector-led market. Specifically, the CMC stated that the Chairmen of the COR's Labor and Services Committee and Legal Committee agreed with the CMC's outlook on the sector and its views on the respective roles of the Ministry of Communications (MoC) and the CMC itself. The committee chairs likewise pledged to oppose recent legislation introduced by the MoC that sought to enhance MoC powers at the expense of the CMC. (Note: On 5 November, the COR held a first reading of new legislation that would place the CMC under the control of the COR, a move that may lead to a true independent regulatory status for the CMC in the future. End Note)

¶5. (C) Regarding a proposed \$3 billion joint venture (JV proposal from Korek Telecom), Econoff inquired where the CMC was in its decision-making process. Shawi noted the application was under review, but the CMC did not understand the intricacies of the offshore formation of the proposed JV in the Cayman Islands. Econoff suggested the CMC hire an independent consultant to help evaluate the proposal and expressed the hope that a decision, either approving or

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disapproving the venture, could be reached soon, as foreign direct investment in Iraq will be crucial to Iraq's economic development and diversification.

Increasing Technical and Policy Expertise, Reaching out to Broadcasters and ISPs

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¶6. (U) CMC members reported positively on their recent attendance of the International Telecommunications Union conference in Dresden, Germany. Shawi noted that ITU recommendations for Iraq's telecommunications sector generally supported the CMC's role and defined only one area of joint responsibility between the CMC and the MoC on frequency management. The CMC is also focused on technical training for its staff in order to more effectively monitor call quality of service for mobile and internet service providers. (Note: Internet penetration in the Iraqi marketplace is less than five percent of the population; many industry professionals see Iraq as a major growth market for internet in the coming years. End Note) In addition, the CMC has chosen to reach out directly to broadcast and internet service providers to ensure proper licensing in accordance with existing regulations.

Comment

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¶7. (C) The CMC's role as an independent regulator is far from solidified in Iraq's evolving political climate. In the run-up to the planned January elections, elements of Iraq's differing economic ideologies continue to spar, and calls for greater state control of Iraq's perceived national assets like oil, industry, and infrastructure are still prevalent. Despite continued operation under an unclear legal mandate stemming from CPA order #65, the CMC has stood up to internal GOI resistance regarding its role as an independent regulator and empowered its members via education and outreach to execute their respective roles. Post will continue to support the CMC's role via the Strategic Framework Agreement

as well as directly with the GOI at all  
appropriate levels. End Comment.  
HILL